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Applicant: Philip R. Krause
Customer #: 35197
Title: Method and apparatus for creating and distributing creative works
Examiner/GAU: Mary Da Zhi Wang Cheung/3694
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Second Reply Brief

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Sir:

The attached Reply brief is submitted in response to the Examiner's second answer brief mailed 7/7/10.

REPLY BRIEF

This reply brief will be divided in two sections, the first, addressing the Examiner's new rejection of claim 18 under 35 USC 112 and the second addressing the unchanged rejection of all claims under 35 USC 102 and 103.

New rejection under 35 USC 112 of claim 18.

The Examiner points out that claim 18 includes "means for" language and rejects the claim as being indefinite for failing to particularly point out and distinctly claim the subject matter which the applicant regards as the invention. Specifically at issue is whether the specification adequately sets forth an adequate disclosure showing what is meant by that language. Based on the *Aristocrat* case, a computer structure must be more than a general purpose computer, and an algorithm that transforms the general purpose computer into a special-purpose machine must be included.

The Examiner's does not explain her reasoning, relying instead on general statements such as "Specifically, the application does not disclose one or more specific algorithms for implementing the claimed means on a machine" (a sentence that is included twice in the Answer Brief). The Appellant respectfully disagrees with the Examiner's assertion.

Claim 18 is as follows:

18. A computer system for holding a cooperative auction to induce an entity to perform an action related to a cause, comprising:

- a) means for specifying a cause;
- b) means for specifying an entity capable of performing an action related to the cause;
- c) means for setting parameters for the cooperative auction, said parameters comprising:
 - ei) the identity of said entity;
 - ii) a price for the action; and
 - iii) a deadline for receiving pledges earmarked for the action;
- d) means for receiving, via a computer system, before the deadline, a plurality of pledges of value units earmarked for the action; and
- e) means for ending the cooperative auction when the price specified in c.ii is met.

While paragraph 61 describes a general purpose computer, the specification makes clear that the invention described in claim 18 is implemented via a web site. A web site is made available over the internet, via a server computer, and is provided to client computers that run internet browsers. Thus, the computer-implemented system of claim 18 (paragraphs 84 to 99, Figs. 3 and 4) is described in the context of a web page (for instance, as described in detail in paragraph 97 and elsewhere in the specification), which presents the specified information either in text or graphically (as in paragraph 86). The means by

which information is transmitted over the internet to permit display of a web page (steps a through c) and by which a pledge or other information is transmitted over the internet from a client computer to a server computer (step d) is constrained by hypertext markup language standards as implemented in internet browsers (paragraph 58). A specific algorithm for implementing steps d and e is also described in paragraphs 94-96 and Fig. 4. Thus, the specification clearly describes not a general purpose computer system, but a specialized computer system that meets the *Aristocrat* test. Moreover, the claim itself includes very specific steps that *in toto* represent an algorithm for implementing the invention in the context of a specialized computer system that displays web pages. Thus, the Examiner incorrectly rejected claim 18 under 35 USC 112, and this rejection should be reversed.

The Appellant presently notes misquotation of paragraphs 61 and 89 on pages 5-6 and 7-8 of the Appeal Brief, and regrets the error. These paragraphs were inadvertently copied from a different specification. This misquotation does not alter the substance of the Appellant's argument.

Rejection under 35 USC 102 and 35 USC 103 of claims 1-18.

To simplify the reading of this section of the Reply Brief, the Examiner's original arguments will be addressed in the context of independent claim 1, with the understanding that identical arguments apply to independent claims 17 and 18. With the exception of this paragraph and the renumbering of pages in the

Examiner's Answer Brief, the text in this section is identical to that addressing these grounds for rejection in the previous reply brief filed 8/24/09.

In response to the Appeal Brief, the Examiner recapitulates the arguments in the final rejection that were already summarized in the Appeal Brief. Notably, in this recapitulation (page 6), "The Examiner notes that "entity" corresponds to people who can add to the bounty", while on page 8, "Bounty further discloses that the entity is the holder of an intellectual property right. . .", two definitions which, as noted in the Appeal Brief, are mutually exclusive. The entity of Claim 1 cannot simultaneously be different (non-identical) actors in Bounty, leaving the Examiner's claim that Bounty anticipates the invention unsupported. Moreover, on page 7, the Examiner provides no explanation of how the cited material from Bounty anticipates claim 1(e), in spite of the lengthy explanation in the Appeal Brief demonstrating that it does not.

On pages 12-14, the Examiner provides a "Response to Argument", reproduced here in italics with the Appellant's reply underneath each portion of the Examiner's response.

The appellant states the examiner interpreted "entity" as people who can add to the bounty while the "entity" in the appellant's application is ultimate recipient of the bids who will then donate intellectual property to the public (see pages 12-13 of the appeal brief). First, such distinction is not presented in the claim language.

The language of Claim 1 includes

- a) identifying a cause;
- b) identifying an entity capable of performing an action related to the cause;

The Examiner does not deny interpreting “entity” as people who can add to the bounty (see, for example, Answer Brief page 6, “The Examiner notes that “entity” corresponds to the people who can add to the bounty). However, claim 1(e) (and corresponding parts of claims 17 and 18) is “e) providing consideration to the entity in exchange for performance of the action, where the consideration comprises value units pledged in step d.” Thus, contrary to the Examiner’s assertion, the entity in 1(a) is in fact claimed as the same entity as in 1(e), the ultimate recipient of the bids who will then donate the intellectual property to the public.

Secondly, the appellant claims “identifying an entity capable of. . .”, that the limitation “capable of” is intended uses or capabilities and not positive limitations. See In re Schreiber, 44 USPQ 2d 1429, and In re Collier, 158 USPQ 266. Thirdly, the entity in Bounty is “capable of” perform an action related to the cause, and specifically for the people who add to bounty that are capable of perform an action related developing the bounty (see the second paragraph under the heading “The proposal:” and the fourth paragraph under the heading “To get more specific:”). Note that the word “related” is emphasized because people who add information to the bounty may not be rewarded for developing the bounty, but they are capable of doing the action related to the cause by adding the information to the bounty which is related to the cause.

The Appellant does not deny that people who can add to the Bounty represent an entity capable of performing an action related to the cause. However, this entity does not carry out any of the other necessary steps of the present invention, and thus, if this were the entity identified by Bounty, Bounty certainly would not anticipate the Appellant’s invention. The Appellant is confused by the Examiner’s description (throughout) of people who add information to the Bounty—according to the Appellant’s reading of Bounty, this does not occur in Bounty. The Appellant believes

this is intended to mean adding pledges to the Bounty, and subsequent counter-arguments will address this argument, since the Examiner's arguments regarding adding information to the Bounty make no sense.

In response to the appellant's arguments that Bounty fails to teach identifying a price for the action (see arguments on page 13 of the appeal brief), the examiner respectfully disagrees. The limitation "action" corresponds to the developing a bounty, and where in the Bounty reference under heading "Fees", it shows the price for developing a bounty such as "The Organization will get 2% of any bounty". Thus, Bounty discloses "identifying a price for the action" as claimed by the appellant.

Claim 1c is:

c) setting parameters for the cooperative auction, said parameters comprising identifying a price for the action and specifying, via a computer system, a deadline for receiving pledges earmarked for the action;

The price for the action refers to the action in step 1b. If the entity performing the action is (as the Examiner states initially) people who can add to the Bounty, "The Organization getting 2% of any bounty" is not a price for the action, because the Organization is not the entity and does not perform the stated action. The Examiner does not address the remainder of the argument in the Appeal Brief, including that to perform 1c, it is necessary to identify a price for the specific action in 1b—which according to the Examiner's construction in Bounty would be a price for adding to the Bounty, a price that is not determined in Bounty.

In response to the appellant's arguments that Bounty fails to teach specifying a deadline for receiving pledges earmark for the action and receiving before the deadline a plurality of pledges of value unit earmarked for the action (see arguments on page 14-15 of the appeal brief), Bounty teaches this limitation by having the user/initiator to specify the outcome if the bounty is unclaimed, such as the money will go to specified charities (see item 6 under "Writing the bounty"), or otherwise the bounty is successfully claimed/awarded upon a developer uploads the developed software (see the fourth paragraph under heading "To get more specific"). There is a clearly indication that a deadline is set for receiving the uploaded developed software because if the software is uploaded too late, the bounty will be considered as unclaimed and the money will go to specified charities. Furthermore, as discussed in the last paragraph, the word "action" corresponds to the developing a bounty; thus Bounty teaches specifying a deadline for receiving pledges earmark for the action and receiving before the deadline a plurality of pledges of value unit earmarked for the action by allowing the initiator setup a deadline for receiving a uploaded developed software from a developer.

Here, the Examiner argues that donation to charity of an unclaimed Bounty is tantamount to specifying a deadline. While that may be true in some context, that clearly is not true in the context of the present invention, in which the deadline must be established for receipt of pledges earmarked for the action (of claim 1b) by the entity (of claim 1b). In Bounty, any deadline is for the developer, not for the donors (whom the Examiner claims are the "entity"). While Bounty does not specify how the decision is made to donate unclaimed bounties to charity, it would seem most logical to base that donation not upon some arbitrary expiration date, but instead upon some period of time after the last addition to the bounty, to assure that developers have a sufficient time to develop the software in response to a known total bounty. Thus, the Appellant disagrees that the description of donation to charity of unclaimed bounties represents a de

facto deadline for adding to the bounty—it (at best) represents a deadline for actually developing the software. Thus, the Examiner's deadline in Bounty does not anticipate the deadline in claim 1c.

Claim 1d is:

d) receiving, via a computer system, before the deadline, a plurality of pledges of value units earmarked for the action; and

and Claim 1e is:

e) providing consideration to the entity in exchange for performance of the action, where the consideration comprises value units pledged in step d.

In response the appellant's arguments that Bounty fails to teach "providing consideration to the entity in exchange for performance of the action, where the consideration comprises value units pledged in step d", Bounty teaches this limitation by allowing plurality of people to add information to the bounty, and the bounty is awarded upon a developer adds/uploads the information with a working package/developed software (see the second paragraph under the heading "The proposal:", and the third and fourth paragraphs under the heading "To get more specific:").

The Examiner still provides no explanation regarding how Bounty can be construed to teach "providing consideration to the entity (i.e., the donors) in exchange for the performance of the action (i.e., making pledges), where the consideration comprises value units pledged in step d". As the Examiner correctly summarizes, in Bounty, the bounty is awarded when a developer adds/uploads a working package of developed software, but it is the developer (not the entity of step b) who receives the bounty, which comprises the value units pledged (by the entity, in the Examiner's construction) from Claim 1d. Thus, there is simply no

interpretation of Bounty that anticipates Claim 1e, and the Examiner provides absolutely no hint regarding the logic supporting the assertion that it does. Moreover, according to the language of Claim 1, steps 1(a) through 1(e) must occur in sequence, something that certainly does not happen in Bounty.

It is the *pro se* Appellant's understanding that to uphold the Examiner, it would be necessary for the Board to find that Bounty anticipates ALL portions of claim 1.

All other arguments are based on the discussions above; thus rejections should be sustained.

The Examiner's Answer Brief does not address the argument (Appeal Brief pages 16-17) that the Examiner's rejection of the dependent claims 2, 19 (page 5), 8-14 and 20 (Answer Brief, page 6), claims 3 and 4 (Answer Brief, page 7), claims 7 (Answer Brief, page 8), 15 and 16 (Answer Brief, page 9) relies upon an interpretation of the "entity" completely different from that used by the Examiner in arguing against step 1b, that analogous to the developer in Bounty. However, if the entity were the developer of the software (as claimed by the Examiner in rejections of claims 2, 3, 4, 7, 8-14, 15, 16, 19, and 20), then the Examiner's argument against the remainder of claim 1 would not be valid, because in Bounty, among other reasons, because the developer (in this construction, the entity in step 1b) is not prospectively identified, and in

Bounty, no price or deadline (step 1c) is identified. Thus, the Examiner is inconsistently defining the “entity” in Bounty, although neither of the two definitions anticipates the claims of the present invention. But if the Examiner were upheld on claim 1, based on the provided definition of the entity, it would be logically inconsistent to uphold the Examiner on any of these dependent claims.

Conclusion

For the foregoing reasons, the Appellant submits that the rejections of the claims should be reversed.

Very Respectfully,

/Philip R. Krause/

Philip R Krause

Appellant Pro Se

8217 Lochinver Lane
Potomac, MD 20854
(301)-922-2592